

VZCZCXRO3770  
OO RUEHLH RUEHPW  
DE RUEHIL #3037 2601053  
ZNR UUUUU ZZH  
O 161053Z SEP 08  
FM AMEMBASSY ISLAMABAD  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 8825  
INFO RUEHBUL/AMEMBASSY KABUL PRIORITY 9137  
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 3779  
RUEHKP/AMCONSUL KARACHI PRIORITY 0325  
RUEHLH/AMCONSUL LAHORE PRIORITY 6067  
RUEHPW/AMCONSUL PESHAWAR PRIORITY 4877  
RHEBAAA/DEPT OF ENERGY WASHINGTON DC PRIORITY  
RUMICEA/USCENTCOM INTEL CEN MACDILL AFB FL PRIORITY  
RUCPDO/DEPT OF COMMERCE WASHINGTON DC PRIORITY  
RUEKJCS/SECDEF WASHINGTON DC PRIORITY  
RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY  
RUEHNO/USMISSION USNATO PRIORITY 4383  
RHEHNSC/NSC WASHDC PRIORITY  
RUEAIIA/CIA WASHDC PRIORITY  
RUEKJCS/JOINT STAFF WASHINGTON DC PRIORITY

UNCLAS ISLAMABAD 003037

SENSITIVE  
SIPDIS

E.O. 12958: N/A

TAGS: [EAID](#) [ECON](#) [EFIN](#) [PREL](#) [PGOV](#) [PK](#)

SUBJECT: U.S.-PAKISTAN BILATERAL INVESTMENT TREATY  
NEGOTIATIONS: DEMARCHE DELIVERED

REF: A. ISLAMABAD 3013

[1](#)B. STATE 93232

[1](#)1. (SBU) Summary: On September 16, DCM met with Pakistan's Board of Investment (BOI) Executive Director General Major (Retd.) Iqbal Ahmad to deliver the demarche in Reftel B. The BOI is the lead Pakistani agency for Bilateral Investment Treaty (BIT) negotiations, and the Ministry of Finance told the Embassy the BOI was the appropriate agency to receive the BIT demarche. DCM communicated the USG desire to move forward with BIT negotiations with the Government of Pakistan (GOP) based on the 2006 BIT text without further changes or additional understandings. Ahmad advised that he would take this under consideration and provide a response early next week after consulting with his legal advisor. Ahmad also requested negotiations take place in late October in Islamabad. End Summary.

[1](#)2. (SBU) DCM expressed the USG desire to conclude BIT negotiations, noting the BIT would be a positive step forward for Pakistan's economy. It would signal to the market Pakistan's seriousness about developing a business-friendly economy and creating an environment that will maintain and attract greater levels of U.S. investment. The DCM stressed that, before reopening formal negotiations, the USG needs assurance that both sides share the same views in regard to what our starting point for negotiations would be. Specifically, he asked if the GOP would be prepared to complete negotiations based on the 2006 BIT text, without further changes or additional understandings.

[1](#)3. (SBU) Ahmad acknowledged the importance of going into negotiations with similar expectations. As to whether the GOP would be willing to set aside the "shared understanding" and move forward based only on the 2006 BIT text without further changes or additional understandings, Ahmad said he would need to consult with his legal advisor who is abroad until September 19.

[1](#)4. (SBU) Ahmad agreed on the benefit of moving forward promptly but said that negotiations in September would not be possible due to prior commitments and the timing of Ramadan and Eid. However, he said that negotiations during the week of October 20 might be possible, and he repeatedly requested these take place in Islamabad. The DCM assured Ahmad that if both sides could agree on a way forward on substance,

logistical arrangements would not stand in our way.  
PATTERSON